



FOR IMMEDIATE RELEASE

CALVALLEY ANNOUNCES APPROVAL OF NORMAL COURSE ISSUER BID

Calgary, Alberta – October 6, 2011 – Calvalley Petroleum Inc. (“**Calvalley**” or the “**Company**”) (TSX:CVI.A) is pleased to announce that the Toronto Stock Exchange (“**TSX**”) has accepted its notice to make a normal course issuer bid (“**NCIB**”) to purchase outstanding Class A Common Shares (“**Common Shares**”) on the open market, in accordance with the rules of the TSX.

As per the TSX approval, Calvalley is authorized and intends to purchase up to 7,641,901 Common Shares representing 10% percent of the public float of Common Shares of Calvalley. Unless Calvalley is utilizing a Block Purchase Exemption as permitted by the TSX, purchases are subject to a daily purchase restriction equal to 25% of the average daily trading volume of the Common Shares over the past six calendar months, or a maximum of 32,458 Common Shares per trading day. As of September 30, 2011, there are 96,038,683 Common Shares outstanding.

Calvalley is authorized to make purchases during the period of October 12, 2011 to October 11, 2012 or until such earlier time as the NCIB is completed or terminated at the option of Calvalley. Any Common Shares Calvalley purchases under the NCIB will be purchased on the open market through the facilities of the TSX at the prevailing market price at the time of the transaction. Common Shares acquired under the NCIB will be cancelled.

Calvalley’s Board of Directors believes, from time to time, the market price of its Common Shares may not reflect their underlying value. The Company acquired 2,129,800 Common Shares at an average price of \$2.67 per Common Share under its previous NCIB which expired on September 15, 2011. Calvalley’s strong cash flow capability and debt-free balance sheet provide the opportunity to capitalize on the current valuation of Calvalley in the market which, in the Board’s opinion, significantly discounts the value and potential of the Company’s asset base.

Calvalley Petroleum Inc.

Calvalley Petroleum Inc. is an international oil and gas company based in Calgary, Alberta. The Company operates its 50% working interest in Block 9 in the Masila Basin of the Republic of Yemen and 100% working interest in the Gimbi and Metema Blocks in Ethiopia.

Forward-Looking Statements

This press release may contain forward-looking statements including, without limitation, financial and business prospects and financial outlooks, and such statements may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue", and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management.

Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof.

Forward-looking statements and other information contained herein concerning the oil and gas industry and Calvalley's general expectations concerning this industry are based on estimates prepared by management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which Calvalley believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While Calvalley is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

FOR FURTHER INFORMATION PLEASE CONTACT:

investorrelations@calvalleypetroleum.com

Edmund Shimon, CEO
Gerry Elms, CFO
(403) 297-0490